From:

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To: Date: Microsoft ATR 11/16/01 11:25pm

Subject:

settlement promotes Microsoft technology and products

I don't understand how this settlement will punish Microsoft (MS). It simply institutionalizes their existing monopoly by encouraging:

- developers to learn, use, and license MS technologies through "disclosure of middleware interfaces", "disclosure of server protocols", and "licensing of intellectual property"
- computer manufacturers to bundle MS products as the "ban on exclusive agreements", "ban on retaliation", and "uniform licensing terms" will drive down their costs related to MS product procurement
- competitors to avoid directly competing with the MS monopoly because every developer and computer manufacturer is promoting, selling, and supporting only MS products (particularly when they're less expensive and more pervasive than ever before thanks to this proposed settlement)

These punishments come too late to be effective now that Microsoft is a monopoly. Alternatives will not flourish through competition as consumers will receive MS products at lower prices, in more tailored offerings from computer manufacturers, and with more inexpensive applications to boot.

If you want to punish MS, hit them where it hurts -- the bottom line. Have them cover the cost of the court case and on-site enforcement (to serve the public good -- taxpayers), plus some large annual sum of cash (\$50 million per year sounds good) for the next five years (to fund organizations in the public good, like academic computer science programs to improve the professionals MS competitors need, non-profit organizations like Debian to offer some immediate competition, and standard making bodies like the IETF, W3C, ICANN, and IEEE that can break the MS hold on defacto standards) with on-site enforcement of all the existing "punishments". If after 5 years, they still commit the same crimes as a monopoly, the annual payments continue until the behavior stops.

With a serious financial punishment like this added to those proposed, MS prices will go up, allowing for more competition. That's how you create competition for a monopoly -- with economics. It also gives MS a solid business case to change its behavior -- one of the few things they seem to understand.

I hope I articulated this well as society, consumers, and government deserve better.

CC:

Russ Kenny, Mark Pinkerton